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SC PUBLIC SERVICE
COMMISSION

December 27, 2011

Ms. Jocelyn Boyd
Chief Clerk and Administrator
The Public Service Commission of South Carolina
101 Executive Center Dr., Suite 100
Columbia, SC 29211

Re: Birch Communications, Inc. and Birch Telecom of the South, Inc. Petition for Waiver of Bond Requirement Under 26 S.C. Code Ann. Regs. 103-607

Dear Ms. Boyd:

Please accept this letter, submitted on behalf of Birch Communications, Inc. and its wholly owned subsidiary Birch Telecom of the South, Inc. (referred to together herein as "Birch") as a request for a waiver of the requirement under Regulation 103-607 to post a bond or other security instrument. Pursuant to that Regulation, the commission may waive the bond requirement if the telephone utility provides evidence of financial stability as deemed appropriate by the commission. In support of its request, Birch submitted the following, and is willing to supplement this filing upon request of the Commission if necessary with any additional requested information:

Birch Communications, Inc. (formerly Access Integrated Networks, Inc.) became certificated in July 1999 and remains in good standing with the Commission. Birch Telecom of the South, Inc. became certificated in March 2000 and remains in good standing with the Commission. Birch believes it has proven its financial stability and proven its reliability in South Carolina by submitting its annual, quarterly, and monthly reports in a timely manner.

Birch provides local and long distance telecommunications services primarily via unbundled network elements purchased through the ILEC and combined with Birch's own systems, including two customer service centers that provide needed redundancy and are based in Macon, Georgia, and Emporia, Kansas, as well as an integrated billing platform. We also have successful contractual relationships with several network providers to provide low cost long distance and operator services and directory assistance. Birch Communications, Inc. is the result of the successful merger of the stock or assets of more than 70 telecommunications companies over the past 15 years. With other competitors no longer in business, Birch has proven that it is a survivor and this is in part a result of several successful partnerships with financing institutions which have shown support for Birch, including Bank of America. The company predominantly serves small and medium sized enterprise business customers, but also offers thousands of residential customers. In addition, Birch has received much national recognition. As an

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example, Birch has been the recipient of the Inc. 5000 award for growth companies for four years, including this past year.

Birch Communications, Inc. and its affiliate, Birch Telecom of the South, Inc. dba Birch Communications, have invested together at least five (5) million dollars in serving customers in the state of South Carolina, although we have not built out facilities throughout the state yet. However, in light of the foregoing detail we believe we are financially sound and merit the Regulation 103-607 waiver.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Christopher Bunce".

Christopher Bunce
Vice President & General Counsel

cc: Jim McDaniel
State of South Carolina ORS